

10/19/77 [1]

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THE PRESIDENT'S SCHEDULE

Wednesday - October 19, 1977

8:15 Dr. Zbigniew Brzezinski - The Oval Office.

8:45 Mr. Frank Moore - The Oval Office.

9:00
(30 min.) Congressman Thomas L. Ashley and House
Conferees on Energy. (Mr. Frank Moore).
The Cabinet Room.

10:11 Depart West Basement Entrance via Motorcade
en route State Department.

10:15 Remarks/Plenary Session of the International
Nuclear Fuel Cycle Evaluation (INFCE).

10:37 Return to the White House.

10:40
(10 min.) Mr. Jody Powell - The White House.

11:00 Arrival Ceremony for His Excellency
Leo Tindemans, the Prime Minister of
Belgium, and Mrs. Tindemans-South Grounds.

11:30
(30 min.) Meeting with Prime Minister Leo
Tindemans. (Dr. Zbigniew Brzezinski).
The Oval Office and Cabinet Room.

12:00
(60 min.) Working Luncheon with Prime Minister
Leo Tindemans - First Floor Private Dining Room.

2:00
(30 min.) Meeting with Secretary Harold Brown et al.
(Dr. Zbigniew Brzezinski) - Cabinet Room.

3:00
(30 min.) Mr. Lane Kirkland, Secretary Treasurer,
AFL-CIO. (Mr. Landon Butler) - Oval Office.

3:45
(30 min.) Senator Edmund S. Muskie. (Mr. Frank Moore).
The Oval Office.

THE WHITE HOUSE
WASHINGTON

10-19-77

To Tim -

Let me have
preliminary list of
people for foreign
trip. It will be
strictly limited. I
don't want a last
minute flail -

Jimmy

THE WHITE HOUSE
WASHINGTON

October 19, 1977

Stu Eizenstat
Jody Powell
Jim Fallows

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: The Vice President
Hamilton Jordan
Charles Schultze

THE PRESIDENT HAS SEEN.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

October 18, 1977

(Re: 3:00 meeting

cc Jim, Stu, Tody

*Proceed & draft
f-side chat on
energy - &
schedule one*

J.C.

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CLS*
Subject: The Economic Content of a Presidential
Speech on Energy

Last Friday, you discussed with me the possibility of combining an energy speech with a statement on long-term economic policy, as a confidence building device.

I think you can state the case for your energy policy in terms of its relationship to the nation's long-run economic future, and you can explain why that future can be a bright one. But I don't think that this would be the occasion to lay out your other economic policies and to explain your basic economic philosophy. It's too much for one speech.

The attached outline is an attempt to place your energy policy in an overall economic framework. It does not purport to cover all the elements of an energy speech -- only this one section on energy and the economy. If it strikes you as worth pursuing, we will flesh it out with more examples and specifics, and prepare a draft for Jim Fallows.

Attachment

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1. American economy fundamentally sound

- o compare with other nations
 - growth and recovery has been stronger
 - investment has recovered faster
 - unemployment has declined while increasing in other nations
 - reduction in inflation; better than all but Germany and Switzerland
- o on most counts, we are envy of other countries
- o no major imbalances to prevent continued growth

2. We do have economic problems that need to be addressed

- o unemployment still too high; 6 percent inflation persists stubbornly
- o confidence gradually returning, but must be nursed
- o very high unemployment among youth and minorities must be reduced
- o taxes have to be reformed and reduced
- o we are tackling those problems; we have good chances of making real progress

3. But if we do not handle energy problem, then potential for solving other problems severely limited

- o U.S. doing worse than any other major nation in dealing with energy prices
 - Most other industrial countries have faced up to the energy crisis by raising prices on energy products enough to curtail consumption. Whereas in the United States we pay about 65 cents per gallon of gasoline, in Japan and France the price is \$1.67 per gallon, in Italy the price is \$2.05 per gallon.

- o As a result of the conservation measures abroad, they have had much more success in curbing imports than has the United States:
 - Imports of oil in the United States rose from 6 million barrels a day in 1973 to 9 million so far during 1977, an increase of 50 percent. In 1977 we will spend \$45 billion to import oil -- money which is taken from American consumers and transferred abroad.
 - Oil imports from 1973 to 1976 fell in Japan, France, Italy, Germany, and the United Kingdom.
 - Thus, while other countries have been doing their share in curbing imports, the United States has increased its imports and its balance of payments deficit by a very wide margin.
 - o For four years we have not faced up to the problem
 - We subsidize oil imports
 - We encourage excess consumption of oil and gas
 - We maintain artificially low prices for the industrial use of oil and gas, and provide no incentives for conversion to other fuels like coal.
4. Economic implications of failure to enact a meaningful energy program
- A. First, at home
- o With no comprehensive energy program, enacted as the law of the land, businessmen cannot plan their investments; why build a new plant to produce aluminum or manufacture chemicals when the course of energy prices and energy policy remains up in the air; and with lagging investment, recovery cannot continue; unemployment will remain high, capacity and productivity will not grow.

- o As oil imports continue to rise, ever increasing amounts of purchasing power will be transferred from consumer pockets to foreign oil producers, depressing consumer sales and shrinking job opportunities in consumer industries.
- o With no comprehensive energy policy and artificially low prices for oil and gas, the switch to other fuels will not occur -- ten years from now, as oil supplies become short, the United States will be the only country in the world not to be prepared for it;
 - energy prices in the U.S. will skyrocket as everyone scrambles for increasingly short supplies.
 - we will hastily, then, take draconian measures to force conversion, to limit automobile use, to ration heating oil, to spend huge sums of taxpayer money on crash programs.
 - industries that depend heavily on energy will begin losing money, laying off workers and shrinking capacity.
 - but while jobs are declining inflation will accelerate
 - U.S. products will become increasingly non-competitive on world markets; the value of the dollar will shrink and the cost of everything we import will also rise rapidly.
 - and because business firms can predict this outcome, with no energy policy, their investments in the intervening years will begin to dry up; we won't even have to wait until the inevitable crisis occurs before its anticipation costs us jobs and income.

B. Abroad

- o Steadily growing U.S. oil imports will encourage higher prices for OPEC oil;

- o Steadily growing oil imports will lead to rising balance of payments deficits and weaken U.S. economic leadership abroad;
 - o Growing dependence on foreign oil will also emasculate our political leadership -- at first in the Mideast and then generally.
5. We have some economic problems to solve. But they are manageable. We can have a bright economic future, with declining unemployment, growing living standards, and a fair distribution of opportunities, even as we adjust to a world of high oil prices and diminishing oil supplies.
- but even a fundamentally sound economy cannot perform well in the absence of a sound energy policy
 - if the American government is not capable of facing up to devising an energy policy, then neither American businessmen and consumers, nor foreign governments and investors, will retain their faith in the basic soundness of our economy.

The results, in lower investment, fewer jobs, and a shrinking dollar, may not be immediate, but they will be certain.

3:45 PM

THE PRESIDENT HAS SEEN.

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THE WHITE HOUSE
WASHINGTON

October 18, 1977

MEETING WITH SENATOR EDMUND MUSKIE

Wednesday, October 19, 1977
3:45 p.m. (30 minutes)
The Oval Office

From: Frank Moore *FM.*

I. PURPOSE

To discuss the energy bill.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: Senator Muskie could be a key to the energy tax bill in the Senate for two reasons: First, he is considering challenging the Finance Committee bill on the ground that the tax cuts will reduce revenues below those called for under the Congressional Budget Resolution. As you may know, Muskie invariably challenges tax bills coming out of Long's Committee and is consistently beaten on the Floor. This grates on his pride and, as a result, his feud with Long has become personal in nature. The chances are good that he will take on Long again in the name of defending the integrity of the Congressional Budget process. Second, he is considering challenging the merits of the Finance Committee bill on the ground that several of the tax cuts are narrow in their application. He may draft amendments to delete such provisions.

B. Participants: The President
Senator Edmund Muskie (D-Maine)
Frank Moore

C. Press Plan: White House Photo.

III. TALKING POINTS

- A. Muskie believes we have already made a deal with Russell Long. He should be assured that we have not and that we do not have the votes in Committee or on the Floor to get our tax proposals adopted. Therefore, we must rely on the House conferees, the overwhelming majority of whom support our position, to bargain hard for us in conference.
- B. He should be assured that if the vote situation were different, we would not be reluctant to take

on Long, but lop-sided losses on votes to reinstate our taxes or to knock out some of the major tax credits could very well solidify Long's position for purposes of the conference. Therefore, he should be gently discouraged from offering amendments which would lose by substantial margins even though we would otherwise be sympathetic to them.

- C. Our major concern is to get the bill into conference where we believe most of the objectionable features can be dealt with more effectively.
- D. With respect to Muskie's possible challenge on budgetary grounds, the Finance Committee bill will probably be upheld since Long has added a provision stating that the effective dates may be changed in order to avoid violations of the Congressional Budget Resolution.

MEMORANDUM

THE PRESIDENT HAS SEEN.

3:00 P.M.

THE WHITE HOUSE

WASHINGTON

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/

MEMORANDUM TO THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*
LONDON BUTLER *L.B.*
KITTY SCHIRMER

SUBJECT:

MEETING WITH LANE KIRKLAND
WEDNESDAY, OCTOBER 19, 1977, 3:00pm

ENERGY

Landon Butler has spoken with Lane Kirkland, who indicates that Meany is interested in helping with the energy program. While it is unlikely that the AFL-CIO will become very involved with the details of the legislation, either pro or con, their general support for a bill this year is crucial.

Throughout the Congressional energy debate, the AFL has maintained a relatively low profile. Deregulation is the one exception. When the plan was announced, Meany applauded your efforts to develop a plan and supported almost all of the non-tax provisions. The AFL-CIO did, however, oppose the well-head, gas guzzler, and oil and gas user taxes, calling these strategies "conservation by price rationing." The union also opposed even the moderate increase in natural gas prices, although they now support the House position in preference to the Senate.

Kirkland stressed that in supporting an energy bill this year, the AFL-CIO does not want to go back on earlier positions. This does not bar their usefulness, however, if you seek a statement from Meany along the following lines:

- The AFL-CIO agrees with the Administration that enactment of a strong, responsible national energy policy is crucial to the future of our country.
- While there are some features of the National Energy Plan which labor does not favor, no sector of our society is going to like every feature of the plan. A balanced plan requires that each interest share part of the burden.
- If a strong bill comes out of the House/Senate Conference, the AFL-CIO fully expects to support it. Enactment of a national energy policy is in the best interests of working people in the United States.

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In seeking Meany's support for a statement of this type, we recommend that you stress the following points:

- Your entire legislative record in the first year will be gauged by the outcome of energy legislation. The results of this effort will also color assessments of the effectiveness of your Presidency.
- But the significance of energy legislation goes well beyond reflections on your personal record-- it will be viewed as a fundamental test of the ability of a Democratic Congress and a Democratic President to work together. If we fail on energy, it will be that much harder to succeed in other key areas such as Labor Law Reform, National Health Insurance, and other issues high on the labor agenda.
- The energy plan which you proposed in April is balanced and fair. While energy prices will inevitably increase, you plan recoups the majority of these increases for the working men and women of the nation.
 - The Plan will continue price controls on natural gas to protect homeowners. Through incremental pricing, industry, which can convert to other fuels, will bear the majority of the price increase.
 - Similarly, through the crude oil equalization tax, energy prices can rise to their replacement cost, but working people are protected through the per capita and home heating oil rebate.
 - Insulation, reform of utility rates, assistance in using solar energy, and weatherization aid for people on fixed incomes will all help protect workers and their families from rising costs of energy.
- The House has acted responsibly in enacting the major portions of your plan, and the Administration intends to continue its full support for these proposals.

INTERNATIONAL LABOR ORGANIZATION

Mr. Meany would also like to take this opportunity to have Lane Kirkland express to you the AFL-CIO's position on the ILO.

For your information, Rick Hutcheson has received ILO position papers from Ray Marshall and Cy Vance. These are being staffed now, but probably won't be on your desk for at least a week.

Lane, of course, will expect no response from you today. You may simply want to acknowledge to Lane that you know that American labor leaders have, since the turn of the century, held the deeply-felt patriotic conviction that a free labor movement is one of the principle bulwarks of democracy--as important, say, as a free press. It was this conviction that lead to the tripartite structure of the ILO in 1919, and it is the erosion of support for this conviction which now leads the AFL-CIO to conclude that we should leave the ILO. In your comments to Lane, you could identify yourself with this conviction without indicating what your ultimate decision will be.

OTHER COMMENTS

You may want to thank Lane for the AFL-CIO's endorsement of the Panama Canal Treaties and also indicate your pleasure with the progress of the Labor Law Reform package, which passed the House with only minor modifications by a vote of 257-163 on October 6.

OTHER PARTICIPANTS

The Vice President plans to join you in the meeting.

THE WHITE HOUSE
WASHINGTON
October 19, 1977

Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: B-1 VOTE

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
✓		MOORE
		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

October 19, 1977

Frank
done
FC

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

FM

For your Information

The B-1 vote looks close. Bo Ginn says that he would not turn unless he had a direct call from the President. Bo will probably take Congressmen Billy Lee Evans (D-Ga), Ed Jenkins (D-Ga) and Doug Barnard (D-Ga) with him. It is worth calling him. (Office Number 225-5831).

he'll help

The Speaker is not helping us in the fight to keep this appropriation subject to authorization language on the Clinch Breeder. Consequently, we will probably lose and have a reason to veto the bill with or without B-1.

Senator Pat Moynihan called and is interested in talking to you about urban renewal in the South Bronx. His interest was sparked by a New York Times article saying Watson and Kirschenbaum were in that area. Moynihan says we have no intellectual heavyweights on urban renewal on our staff and has offered himself for this deficiency.

The rule on cargo preference was adopted by a 78-vote margin. They are going to go on with the bill and I think they will pass the bill by an even greater margin.

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THE PRESIDENT HAS SEEN.

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THE WHITE HOUSE
WASHINGTON

C

October 19, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT

Stu

SUBJECT : Your Meeting With House Energy Conferees

I think your meeting with the House energy conferees on October 19 generally went well. There is one matter which I would like to raise with you. I have talked with Frank Moore and Jim Schlesinger and they both agree on this point.

One of your statements implied that you might be willing to accept deregulation of natural gas from 1987-1990. This may send the wrong signals, and indicates we are willing to back off on the statement you have been making repeatedly that you would veto any deregulation legislation. Senator Jackson is himself using your earlier statements against deregulation to fight off Senator Bentsen, even though one of Jackson's own proposals would have eventually deregulated new natural gas.

I am afraid that the House conferees may get the impression that we are willing to make compromises even before the tough bargaining begins in Conference. I think we should stay away from any suggestion of compromise. If the House conferees or the Senate conferees formally come to you with such a request as a compromise, only then should we take it up. We must keep reinforcing the notion that we are not making any independent deals with the Senate.

Jim feels strongly, and I agree, that we should stress that while we want an energy bill, we would rather have no bill than the wrong bill. The Senate must not feel that we are desperate for a bill at any price.

You correctly indicated that you are not imposing any artificial deadlines. However, we must avoid giving Congress the impression we would not oppose their adjournment without an acceptable bill. The emphasis should be that we are

prepared to wait as long as necessary this session for a bill, but that we do not think Congress should go home until an acceptable energy bill has been enacted.

THE WHITE HOUSE
WASHINGTON
October 19, 1977

Jody Powell

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: The Vice President
Hamilton Jordan

RE: HOUSING STARTS IN SEPT. AND
GNP IN THIRD QUARTER

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
	/	MONDALE
		COSTANZA
		EIZENSTAT
	/	JORDAN
		LIPSHUTZ
		MOORE
/		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
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	BRZEZINSKI
	BUTLER
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	H. CARTER
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	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

EYES ONLY

October 18, 1977

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CLS*
Subject: Housing Starts in September and GNP
in the Third Quarter

Two new pieces of evidence on economic performance -- September housing starts and third quarter GNP -- will be coming out early tomorrow afternoon (Wednesday, October 19). The housing starts figures are reasonably good, but the GNP figures are as disappointing as we feared they would be.

Housing Starts

First, the relatively good news. Housing starts increased somewhat in September -- rising 3 percent to an annual rate of 2,040 thousand units. The August figure was revised up somewhat, but still shows a decline from the July level. Starts in the third quarter were 7-1/2 percent above the second quarter level, with most of the gain occurring in multi-family units.

Housing activity, though still moving up, is increasing more slowly now than it did in the first two years of the recovery. With backlogs of demand having been filled, housing prices rising rapidly, and interest rates also moving up, we are probably close to the peak figures on housing starts that we will see over the next year or two.

Third Quarter GNP

Now, the disappointing news. Real GNP in the third quarter increased at an annual rate of just 3.8 percent, compared with 6.2 percent in the second quarter and 7.5 percent in the first. This small increase in third quarter GNP is consistent with the recent weakness of employment and industrial production.

Digging underneath the surface does not improve the picture. Over half of the third quarter increase in real GNP was due to rising governmental expenditures, both Federal and State and local. Defense spending is moving up strongly, and the stimulus programs are boosting State and local outlays. All major components of private domestic final sales (personal consumption, business fixed investment, and residential construction) were comparatively weak in the third quarter; total private domestic final sales rose at an annual rate of only 2 percent. I have a feeling that some statistical quirks may be overstating the degree of weakness in these components of GNP, but even allowing for that, third quarter growth in these critically important areas was sluggish.

Fortunately, some of the statistics for September (such as employment, production, personal income, and housing starts) suggest that the economy may be emerging from the doldrums, and that may soften public reaction to the news about third quarter GNP. Over the next few days, we are almost certain to see increased press commentary regarding the weakness in the economy, however.

We still believe: (i) that moderate economic growth will take place over the next six to nine months; and (ii) by some time in 1978 we will very likely need additional fiscal stimulus if unemployment is to be further reduced.

THE WHITE HOUSE
WASHINGTON

10-19-27

Kirkland

Agree on need for policy
Balanced plan - all sacrifice
Strong Conf report - will help
NEP good for nat security
" " bal y trade
" " jobs
" " tax equity

ILO - free labor - Tripartite
Panama

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PM Tindemans
FM Simonet

10/19/77

THE WHITE HOUSE
WASHINGTON

- > Sabena. AHP
- > ER
- MBFR
- MTN - 44
- > US-EC coop - be careful
- Arme Xfers
- Zaire. Nguzi - election - Econ
- > INFCE
- NATO - May 77-78
- > EC enlargement
- > EC election
- Belgrade

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Welcome 10-19-77
PM Tindemans Belgium

VP-155 Pres Dec

Demo Ally

Pres Counc EC

Strong EC - Unity
" NATO

IND Demo's UNITED

ECON Presbi- YOUNG

ENERGY-

E/W = N/S

Tind leadership

Fv/Dutch Language

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THE WHITE HOUSE
WASHINGTON
October 19, 1977

Hamilton Jordan
Frank Moore

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the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: B. BYRD - BUSINESS LEADER'S
COMMITTEE FOR TREATY IN W.VA

THE WHITE HOUSE
WASHINGTON

10-19-77

To Ham & Frank

Bob Byrd wants
a business leader's
Committee for the
Canal Treaty to be
organized in W. Va.

Frank see him

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J

THE WHITE HOUSE
WASHINGTON

10-19-77

INT N F C Eval. - historic

1945- Ike Atoms for Peace →

Int A E Agy → test ban → NPT →

SALT

Threat - no Nuke war

Prolif. ^{- oil -} pressures heavy - Total

SALT - CTB

Future Nuc Power needs exaggerated

Invest to save $\$6/\text{day}$ ^{often} $0 \rightarrow 3500$

(Nuclear Elec = $\$200/\text{M} \rightarrow 300/\text{M}$)

N. Sea oil $\$10/\text{M}$ Alaska $\$20/\text{M}$

Producer/Consumer nations together
Combine ingenuity - experience

INT FUEL BANK for nations

"mutually agreed NP restraints"

Limited amounts - foreign spent fuel

Not supplant IAEA

Vigorous debate - Thorough Study

B1

THE WHITE HOUSE
WASHINGTON

Comp Energy
Conf Com

Utility insulation 10-19-77

Gas guzzlers

Coal conversion

Utility rate reform

Nat gas

Wellhead - CoET

Oil/gas users tax

MEP = +1 H = -13 S = -55

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THE WHITE HOUSE
WASHINGTON

10-19-77

To Tim -

Let me have
preliminary list of
people for foreign
trip. It will be
strictly limited. I
don't want a last
minute flail -

Jimmy

THE WHITE HOUSE
WASHINGTON

rick--

f.y.i.

(original given to
tim kraft)

-- susan

THE PRESIDENT HAS SEEN.

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THE WHITE HOUSE

6908

WASHINGTON

OFFICIAL USE ONLY

October 19, 1977

INFORMATION

MEMORANDUM FOR: THE PRESIDENT
FROM: HENRY OWEN *HO*
SUBJECT: The Other Side of the Hill

2B.

You may be interested in views that Alan Greenspan, an intelligent, conservative economist who was the Chairman of President Ford's Council of Economic Advisers, expressed to me last week.

1. The main factor holding back worldwide economic recovery is the uncertainty of business investors about the future. This uncertainty, caused by two recessions in the last decade, makes them unwilling to invest unless they can get a 2% or 3% "insurance premium", over and above normal economic return, from the intended investment.
2. That uncertainty is the main factor holding back investment and expansion in Germany. A prolonged period of non-inflationary growth will be needed to assuage it.
3. In 1978 US growth will fall to 2% or 3%, and unemployment will increase. The best antidote would be an across-the-board tax cut in both personal and corporate taxes. The cut in corporate taxes would provide the extra insurance premium required to compensate for uncertainty, and thus to stimulate needed investment.
4. In the US, uncertainty is compounded by doubt in the business community as to whether what they perceive to be your conservative fiscal views or the more liberal views of your advisers will shape future US policy.

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THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON

OCT 19 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Ambassador Robert S. Strauss

RE: Exclusion of OPEC Countries From the Generalized
System of Preferences of the Trade Act of 1974.

Zbig tells me that you have requested my advice on how to handle the question of the current exclusion of OPEC countries from preferential tariff treatment under the Trade Act of 1974. As you are aware, this issue has been an irritant in our relations with certain foreign countries, notably Venezuela and Ecuador. It is very likely to come up again during your visit to Caracas next month.

Viewed solely from the perspective of foreign policy, I believe the reasons are compelling for ending the exclusion. In terms of domestic politics, however, the matter is regrettably not so simple. There are several considerations of which you should be aware. The first is the matter of OPEC itself. The Congress, needless to say, is not sympathetic to OPEC or its policies, and this aspect of the problem has been exacerbated by the current debate over energy legislation. The second consideration is the general antipathy in the Congress toward the GSP program itself. The program has never been popular, and the prospect of expanding it to include OPEC countries is likely to garner criticism from opponents. The third consideration concerns the possibility that seeking repeal of the OPEC exclusion could somehow complicate the Senate's deliberation of the Panama Canal Treaty. The latter, I regard, as a remote possibility.

Despite these caveats, I believe that you could state publicly during your visit to Venezuela your intention to seek repeal of the OPEC exclusion provision when Congress reconvenes in January. Congress probably will have adjourned, and the current furor over the energy program will have subsided somewhat.

In January, I believe you could request the Congress for discretion to waive the exclusion on a country-by-country basis upon your determination in each case that a waiver would be in the national economic interest. In approaching the Congress, Administration spokesmen could argue that what you are in fact requesting is a foreign economic policy tool which will strengthen your hand in dealing with OPEC countries.

If you wish to go ahead with an amendment, either Cy Vance's staff or my own should discuss this approach informally with key members of the House and Senate to obtain a reading of its acceptability in the Congress.

In conclusion, I cannot overemphasize how sensitive this matter is politically.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

INFORMATION

24 October 1977

TO: THE PRESIDENT
FROM: RICK HUTCHESON *File*
SUBJECT: Staff Comments on Strauss Memo

OMB: "Whatever the international good faith to be gained by such a move, the internal repercussions could be serious." OMB counsels against granting GSP to countries who participate in cartel action against the US unless the State/STR feelers on the Hill yield particularly encouraging results.

Eizenstat strongly advises against your making any commitment to seek repeal of the OPEC exclusion next year. Stu agrees with Strauss that Congress is not sympathetic to OPEC, or to GSP generally. In addition: repeal would be difficult, and would require a major investment of political capital; the benefits would be insignificant, compared to the important measures on which you will be seeking congressional cooperation next year; it seems extremely inopportune to undertake an initiative benefitting some Arab countries at a time when Arab-Israeli negotiations may be underway at Geneva; and finally, considering the current protectionist sentiment in Congress, there is no telling what damage might be done by opening up the Trade Act for amendment.

Congressional Liaison agrees with Strauss that the matter is extremely sensitive politically. Any announcement that the President intends to seek repeal of the OPEC exclusion should not occur until (1) the energy plan is favorably disposed of; and (2) key congressmen have been consulted (not just notified). While hostility toward OPEC members who did not participate in the 1973 embargo is not widespread on the Hill, it will be impossible to include those who did participate under GSP.

Watson and Jordan have no comment. No response received from Brzezinski.

THE WHITE HOUSE

WASHINGTON

Date: October 20, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat *attended*
Hamilton Jordan *nc*
Frank Moore *attended*
Jack Watson *nc* Zbig Brzezinski
Jim McIntyre *attended*
Charles Schultze *nc by phone*

FOR INFORMATION:

The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Strauss memo dated 10/19 re Exclusion of OPEC Countries from
the Generalized System of Preferences of the
Trade Act of 1974.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 11:00 AM

DAY: Saturday

DATE: October 22, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

*Can't find out
with call book of
info*

*Is there a plan
of communication
from 2B*

*ch at
2B still*

<input checked="" type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

ACTION	FYI
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<input checked="" type="checkbox"/>	MONDALE
<input type="checkbox"/>	COSTANZA
<input checked="" type="checkbox"/>	EIZENSTAT
<input checked="" type="checkbox"/>	JORDAN
<input type="checkbox"/>	LIPSHUTZ
<input checked="" type="checkbox"/>	MOORE
<input type="checkbox"/>	POWELL
<input checked="" type="checkbox"/>	WATSON
<input checked="" type="checkbox"/>	LANCE <i>TM</i>
<input checked="" type="checkbox"/>	SCHULTZE

*Let's at 2B
Agency news
any back
option news*

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input checked="" type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
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<input type="checkbox"/>	FALLOWS
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<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	KING

<input type="checkbox"/>	KRAFT
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	MOE
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<input type="checkbox"/>	STRAUSS
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<input type="checkbox"/>	WARREN

DIRECTOR'S
CORRESPONDENCE

Action to:		
<i>Jayne</i>		
Replied for: Dir		Dir
Control No:	Due Date:	
0122	11:00 a.m.	
	10-22	
Info Copies:		
<i>Sanders</i>		

Date: October 20, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
Hamilton Jordan
Frank Moore
Jack Watson Zbig Brzezinski
Jim McIntyre
Charles Schultze

FOR INFORMATION:

The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Strauss memo dated 10/19 re Exclusion of OPEC Countries from
 the Generalized System of Preferences of the
 Trade Act of 1974.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 11:00 AM

DAY: Saturday

DATE: October 22, 1977

ACTION REQUESTED:

Other: ☒ Your comments

STAFF RESPONSE:

☐ I concur.☐ No comment.*Please note other comments below:*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON

OCT 19 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Ambassador Robert S. Strauss

RE: Exclusion of OPEC Countries From the Generalized
System of Preferences of the Trade Act of 1974.

Zbig tells me that you have requested my advice on how to handle the question of the current exclusion of OPEC countries from preferential tariff treatment under the Trade Act of 1974. As you are aware, this issue has been an irritant in our relations with certain foreign countries, notably Venezuela and Ecuador. It is very likely to come up again during your visit to Caracas next month.

Viewed solely from the perspective of foreign policy, I believe the reasons are compelling for ending the exclusion. In terms of domestic politics, however, the matter is regrettably not so simple. There are several considerations of which you should be aware. The first is the matter of OPEC itself. The Congress, needless to say, is not sympathetic to OPEC or its policies, and this aspect of the problem has been exacerbated by the current debate over energy legislation. The second consideration is the general antipathy in the Congress toward the GSP program itself. The program has never been popular, and the prospect of expanding it to include OPEC countries is likely to garner criticism from opponents. The third consideration concerns the possibility that seeking repeal of the OPEC exclusion could somehow complicate the Senate's deliberation of the Panama Canal Treaty. The latter, I regard, as a remote possibility.

Despite these caveats, I believe that you could state publicly during your visit to Venezuela your intention to seek repeal of the OPEC exclusion provision when Congress reconvenes in January. Congress probably will have adjourned, and the current furor over the energy program will have subsided somewhat.

2.

In January, I believe you could request the Congress for discretion to waive the exclusion on a country-by-country basis upon your determination in each case that a waiver would be in the national economic interest. In approaching the Congress, Administration spokesmen could argue that what you are in fact requesting is a foreign economic policy tool which will strengthen your hand in dealing with OPEC countries.

If you wish to go ahead with an amendment, either Cy Vance's staff or my own should discuss this approach informally with key members of the House and Senate to obtain a reading of its acceptability in the Congress.

In conclusion, I cannot overemphasize how sensitive this matter is politically.

Date: October 20, 1977

MEMORANDUM

FOR ACTION:

~~Stu Eizenstat~~
Hamilton Jordan
Frank Moore
Jack Watson Zbig Brzezinski
Jim McIntyre
Charles Schultze

FOR INFORMATION:

The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Strauss memo dated 10/19 re Exclusion of OPEC Countries from
the Generalized System of Preferences of the
Trade Act of 1974.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 11:00 AM

DAY: Saturday

DATE: October 22, 1977

ACTION REQUESTED:

☒ Your comments
Other:

STAFF RESPONSE:

☐ I concur. ☐ No comment.
Please note other comments below:

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If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

579
✓ Camp
Ginsburg
Schinner

46
Date: October 20, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
Hamilton Jordan
Frank Moore
Jack Watson Zbig Brzezinski
Jim McIntyre
Charles Schultze

FOR INFORMATION:

The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Strauss memo dated 10/19 re Exclusion of OPEC Countries from
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 Trade Act of 1974.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 11:00 AM

DAY: Saturday

DATE: October 22, 1977

ACTION REQUESTED:

☒ Your comments
Other: _____

STAFF RESPONSE:

_____ I concur.
Please note other comments below:

☒ No comment.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

Date: October 20, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
Hamilton Jordan
Frank Moore
Jack Watson Zbig Brzezinski
Jim McIntyre
Charles Schultze

FOR INFORMATION:

The Vice President
1977 OCT 20 AM 11 09

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Strauss memo dated 10/19 re Exclusion of OPEC Countries from
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 Trade Act of 1974.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 11:00 AM

DAY: Saturday

DATE: October 22, 1977

ACTION REQUESTED:

☒ Your comments
Other:

STAFF RESPONSE:

☐ I concur.
Please note other comments below:

☒ No comment.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE

WASHINGTON

October 21, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
BOB GINSBURG

SUBJECT: Exclusion of OPEC Countries from GSP

Ambassador Strauss' memorandum lays out three reasons why we should not seek repeal of the OPEC exclusion from GSP when Congress reconvenes in January:

- (1) Congress is not sympathetic to OPEC or its policies;
- (2) Congress is not sympathetic to GSP generally; and
- (3) seeking repeal might complicate the Senate's deliberations on the Panama Canal Treaty.

We would add four additional reasons:

- (1) considering the current protectionist sentiments in Congress, there is no telling what damage might be done by opening up the Trade Act for amendment;
- (2) repeal would be very difficult and would require a major investment of political capital by the Administration;
- (3) it would seem extremely inopportune to undertake an initiative which would benefit some of the Arab countries at a time when Arab-Israeli negotiations may well be underway in Geneva; and
- (4) the benefits to either this country or the Administration from repealing the OPEC exclusion are insignificant, particularly when measured against the truly important issues, both domestic and foreign, which you will be asking Congress to cooperate on next year.

In our opinion, all these factors mitigate strongly against your making any commitment to seek repeal of the OPEC exclusion next year.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

DATE: October 21, 1977

TO: Bill Simon

FROM: **RANDY JAYNE, AD/NSIA**

Subject: Strauss memo on OPEC
Countries and GSP

We share Bob Strauss' concern about the domestic implications of granting GSP to countries who participate in cartel action against the U.S. Whatever the international good faith to be gained by such a move, the internal repercussions could be serious. We would counsel against any such move unless the State/STR feelers on the Hill yield particularly encouraging results.

A handwritten signature in dark ink, appearing to read "Randy Jayne", is located at the bottom right of the document. The signature is stylized and fluid.

OCTOBER 22, 1977

THE WHITE HOUSE
WASHINGTON

To: Rick Hutcheson

From: Les Francis

Subject: Strauss memo (10/19/77) re: OPEC exclusion from
GSP

Congressional Liaison views are as follows:

Concur with Ambassador Strauss analysis as to the extremely sensitive political aspects of this matter.

Any announcement that the President intends to seek repeal of the OPEC exclusion should not occur until: 1) the energy plan is favorably disposed of, and 2) key members of both Houses have been consulted — not just notified.

Finally, it should be noted that hostility toward those OPEC members who did not participate in the 1973 embargo is not widespread on the Hill. It is possible to get them under GSP, but will be virtually impossible to include the others.

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

6933

October 22, 1977

MEMORANDUM FOR RICK HUTCHESON

FROM:

Christine Dodson
Christine Dodson *fn*

SUBJECT: Strauss Memorandum: Exclusion of OPEC Countries
from GSP

In response to your request for our comments. The NSC agrees that revision of the OPEC exclusion would be an extremely sensitive issue. Other factors include the possibility that any attempt to revise the Trade Act of 1974 could elicit protectionist amendments that could offset any gains from removal of the OPEC exclusion.

We concur with the proposal by STR to request the Congress for discretion to waive the conclusion on a country-by-country basis. We consider it a sound approach and recommend that STR and State undertake the consultations.

We do not concur in the suggestion that the President announce during his trip that he intends to seek such a waiver. We won't know what Congressional problems we will be facing next year. A public announcement would generate expectations we might not be able to meet. (An important theme of our new approach to Latin America -- a point repeatedly made by Mrs Carter on her trip -- is that the US was no longer going to promise what it couldn't deliver.) However, on the trip, the President could react positively to Venezuelan or Nigerian requests that the OPEC exclusion be terminated, stating that the US intends to review this issue and take what actions we deem feasible.

Date: October 20, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
Hamilton Jordan
Frank Moore
Jack Watson Zbig Brzezinski
Jim McIntyre
Charles Schultze

FOR INFORMATION:

The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Strauss memo dated 10/19 re Exclusion of OPEC Countries from
 the Generalized System of Preferences of the
 Trade Act of 1974.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 11:00 AM

DAY: Saturday

DATE: October 22, 1977

ACTION REQUESTED:

Other: ☒ Your comments

STAFF RESPONSE:

☐ I concur.☐ No comment.*Please note other comments below:*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

~~5~~
10/19/77

Mr. President:

The Department of Agriculture requests that you issue the attached proclamation of "National Farm-City Week, 1977," as has been done annually since 1955. OMB concurs.

There is no statutory requirement for the issuance of the proclamation. Jim Fallows questions whether or not the proclamation is needed. He doubts that a proclamation does much to further a national food policy; he suggests that proclamations be used either to encourage some specific activity, or to honor someone or something specific.

USDA responds that hundreds of activities are planned around the country, keyed to issuance of this proclamation, usually in conjunction with State departments of agriculture.

The attached proposed proclamation was edited by Fallows.

Rick



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

GENERAL COUNSEL

OCT 17 1977

MEMORANDUM FOR: ROBERT D. LINDER

FROM:

WILLIAM M. NICHOLS *W. Nichols*

Subject: National Farm-City Week Proclamation

There is enclosed a proposed proclamation entitled "National Farm-City Week, 1977."

The proposed proclamation would designate the week beginning November 18, 1977, as National Farm-City Week and would call for its appropriate observance. There is no statutory basis for its issuance; however, similar proclamations have been issued annually since 1955 (either on the basis of a congressional resolution (1956, 1957, and 1958) or on the recommendation of the Department of Agriculture (1955, 1959, and subsequent years).

This proposed proclamation was submitted by the Department of Agriculture along with the enclosed transmittal letter. It has been revised in this office to indicate with more clarity the dependence of farmers and urban dwellers on each other.

Time has not permitted formal submission to the Department of Justice in accordance with the provisions of Executive Order No. 11030, as amended. However, an attorney in that Department, who normally reviews proposed Executive orders and proclamations for form and legality, has reviewed this proposed proclamation and has informally advised that there is no legal objection to its issuance. Because the President will be abroad next month, and because there are only a few more observances this year, we anticipate that this informal transmittal procedure will be used for most of this year's remaining proclamations to assure that the President's staff has an adequate opportunity for review. The Department of Justice has advised us that it concurs in this approach.

The proposed proclamation has the approval of the Acting Director of the Office of Management and Budget.

Enclosures

N.B.: National Farm-City Week is traditionally observed during the week ending Thanksgiving Day.

NATIONAL FARM-CITY WEEK, 1977

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

Our Nation's strength will always depend upon the ability of Americans of different backgrounds and points of view to join together in support of national objectives. The ability to do this in turn depends upon our willingness to recognize that each of us depends upon others to supply food for our tables and goods and services for our homes, farms, factories and businesses.

Today, one of our most important national objectives is the establishment of a national food policy. This is vital to our own welfare and security as well as our search for world peace. However, if we are to achieve this goal, it is essential that there continue to be mutual respect and cooperation between those who live and work on our Nation's farms and ranches and those who live and work in our cities, towns and suburbs.

Accordingly, it is appropriate that a special period be set aside to encourage the people of the United States to explore new ways of improving understanding and communication between the producers of our food and consumers.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby proclaim the period of November 18 through November 24, 1977, as National Farm-City Week and ask all Americans to observe that period with programs and activities that demonstrate the common interests of our urban and rural communities.

IN WITNESS WHEREOF, I have hereunto set my hand
this day of , in the year of
our Lord nineteen hundred seventy-seven, and of the
Independence of the United States of America the two
hundred and second.

THE WHITE HOUSE

WASHINGTON

October 18, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: JIM FALLOWS *JF*

SUBJECT: National Farm-City Week Proclamation

This proclamation is not required by statute. There hasn't even been a Congressional resolution on it for over 20 years. Whatever it's original purpose it's reason for continuing seems to have run out. While a national food policy that will provide adequate food supplies for both our people and the world is a noble and important goal, a proclamation asking the American people to meditate on it for a week would seem an odd and unproductive way to further it. If we need a proclamation on national food policy then it should be on that, not on "farm-city week."

At the very least a proclamation should either encourage some fairly specific activity on the part of all Americans (Thanksgiving Day) or honor something or someone specific for a major service (Columbus Day, Memorial Day). Unlike some of the traditional proclamations that have a specific constituency that would be offended (forest fire, school lunches, etc.), this would seem to be sufficiently vague and nebulous to have escaped the heartfelt concern of the nation's farmers, and I can't imagine any city constituency that would notice its absence. To continue this sort of thing indefinitely appears to be a very high level form of featherbedding, since the time and attention of a great number of people is wasted on preparing, approving and disseminating it, but since most of these people have ample activities to occupy their expensive time, it would seem to be mostly a waste. They might more usefully occupy any unused time on devising a food policy so that no one goes hungry.

THE WHITE HOUSE
WASHINGTON

October 19, 1977

Frank Moore

The attached letter to Senator Moynihan was returned in the outbox today and is forwarded to you for delivery.

Rick Hutcheson

RE: APPRAISAL OF "THE FEDERAL
GOVERNMENT AND THE ECONOMY
OF NEW YORK STATE"

cc: The Vice President
Stu Eizenstat
Charles Schultze

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
	/	MONDALE
		COSTANZA
	/	EIZENSTAT
		JORDAN
		LIPSHUTZ
/		MOORE - <i>delivered</i>
		POWELL
		WATSON
		LANCE
	/	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN

THE WHITE HOUSE
WASHINGTON

October 18, 1977

C

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: Moynihan Correspondence on New York State

As you instructed, Charlie and I sent Senator Moynihan a detailed and candid appraisal of his report entitled, "The Federal Government and the Economy of New York State." Our letter identified areas of agreement as well as disagreement between the Administration and the Senator.

Attached is his return letter to you and a draft response under your signature.

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE

WASHINGTON

October 20, 1977

To Senator Pat Moynihan

Thank you for your gracious note in response to Stu and Charlie's analysis of your report, "The Federal Government and the Economy of New York State."

As I indicated previously, I share your belief that the federal government has historically paid too little attention to the regional economic impact of its policies. I understand that your staff has had productive discussions on this subject with members of my staff.

I look forward to a continuing cooperative relationship as we explore this area further.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jimmy", with a long horizontal stroke extending to the left.

The Honorable Daniel Patrick Moynihan
United States Senate
Washington, D.C. 20510